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J. D. ROCKEFELLER'S STATEMENT TO THE INDUSTRIAL COMMISSION.

Combinations of Capital and Skill Necessary to Carry on Business of Magnitude and Importance Dangers From Combinations Shown and a Remedy Suggested. WASHINGTON, Jan. 10,-A statement was received by the Industrial Commission this morning from John D. Rockefeller, in answer

to questions propounded by the commission. "The first combination of different establishments in the oil industry in which I was interested," Mr. Rockefeller says, "was the union of William Rockefeller & Co., Rockefeller & Andrews, Bockefelier & Co., S. V. Harkness and 8. M. Flagler, about the year 1867. The cause leading to its formation was the desire to unite our skill and capital in order to carry on a business of some magnitude and importance in place of the small business each separately had carried on. As time elapsed and the possibilities of the business became apparent, we found further capital to be necessary, obtained the required persons and capital and organized the Standard Oil Company, with a capital of \$1,000,000. Later we found more capital could be utilized and found persons with capital to interest themselves with us and increased our capital to \$3,500,000. As the business grew the markets were obtained at home and abroal, more persons and capital were added to the business. and new corporating agencies were obtained. organized, the object being always the same-

to extend our business by furnishing the best and cheapest products. The Standard Oil Company of Ohio, of which I was President, did receive rebates from railroads prior to 1880, but received no special advantages for which it did not give full compensation. The reason for rebates was that such was the railroads' method of business. A public rate was made and collected by the railroad companies, but so far as my knowledge extends was never really retained in full. A portion of it was repaid to the shippersus a rebate. Much depended upon whether the shipper had the abvantage of competition of carriers. The Standard being situated in Cleveland had the advantage of different carrying lines, as well as of water transportation in summer, and taking advantage of those facilities made the best bargains possible for its freight. For various reasons sufficient to the railroads it obtained contracts for special allowances on freights. These never exceeded, to the best of my present recollection, 10 per cent. But in almost every instance it was discovered subsequently that our competitors had been obtaining as good and in some instances better rates of freight than ourselves. "No percentage of the profits of the Standard came from arisantage given by railroads at any time, Whatever alvantage it received in its constant efforts to reduce rates of freight was deducted from the price of oil. The advantages to the Standard from low freight rates consisted solely in the increased volume of its business arising from the low price of its profice. I know of no instance in which the Standard ever received from any railroad any income for oil shipped over its tracks by any of the Standard sompetitors. It seems that some such arrangement of that nature was entered into by one of our agents in Ohio, but when notice of this agreement was brought to the office of the company for which it was made it was promptly repudiated and the money received—some small amount. I think under \$300 — was refunded. And this was done not because of any action in court or judicial opinion, but promptly as soon as reported.

"I ascribe the success of the Standard to its consistent policy to make the volume of its business large through the merits and cheapness of its products. It has spared no expense in flading, securing and utilizing the best and cheapest methods of manufacture. It has sought for the best superintendents and workmen and paid the best wages. It has not not resisted to sacridee old machinery and oid plants for new and better ones. It has placed its manufactures at the point where they could supply markets at the least expense. It has not only sought markets for its principal products, but for all possible byproducts, sparing no expense in introducing them to the public. It has had faith in Americent. But in almost every instance it was dis-

of the Union and into foreign countries as well, they are a necessity on a large scale and require the agency of more than one corporation. Their chief a lyantages are; Command of necessary capital; extension of limits of business; increase of number of persons interested in the business; economy in the business; improvements and economies which are derived from knowledge of many interested persons of wide experience; power to give the public an improved product at less prices and still make a profit for stockholders; permanent work and good wages for laborers. with which I have been intimately acquainted for about forty years."

Of the dangers to the public from countimations, Mr. Rockefeller said:

"The dangers are that the power conferred by combination may be abused, that combinations may be formed for speculation in stock rather than for conducting business, and that for this turp se trices may be ten porarily raised instead of being lowered. Combination in necessary and its aduses can be minimized, otherwise our legislators must acknowledge their incapacity to deal with the most important instrument of industry. Hitherto most legislative attempts have been an effort not to centrol but to destroy. Hence their futility.

products, sparing no expense in introducin them to the public. It has had faith in American oil and has brought together millions a money for the purpose of making it what is and holding its markets against the competition of Russia and all the many countrie which are producers of oil and competitor against American oil.

Regarding industrial combinations, I would Rockefeller's statement was ordered

GIFT 10 MONTEVIDEO.

Capt. Evans, an American Citizen, Presents

WASHINGTON, Jan. 10.-In a report to the State Department the United States Consul at Montevideo, Uruguay, says: "Capt. William D Evans, an American citizen, as a mark of cordial appreciation of the city of Montevideo, bought a triangular plaza at the junction of Calles Constituyeute and Asambien, and caused it to be improved at his own cost in park-lika way, giving it in perpetuity to the city for park purposes. The correspondence has been published, and the dutata pays the highest praise to Capt. Evans, not only for this agreeable act of public stirit, but also the numberless acts of charity of large measure performed in a manner as liberal as it is unostentations. It is a matter of known record that every American or English-born satior dying here has had Christi in burial in a permanent grave at his or English-born sallor dving here has had Christi a burial in a permanent grave at his order and cast. Men of the same nationalities dying in official positions, but without means, received the same attention. It affords me pleasure to put on record these acts of a citizen who came to our shores as a peer boy from Wales, became a citizen, and has ever he d the honor in an esteem second to nothing entering into his busy life."

New York's Monument on Lookout

Mountain. WASHINGTON, Jan. 10 .- The Secretary of War to-day approved the plans and design of "The New York State Central Historical Memorial, to be erected on Lookout Mountain, Tenn, under the direction of the New York, Gettys burg and Chattanooga Monuments Commission, of which Gen. D. E. Siekles is chairman The designs were received by tien, H. V. Boyn-ton several days ago and transmitted to Secre-tary Root, with the statement that the designs tary Root, with the statement that the designs "contemplate the most imposing monument yet erected by any State upon the batteffel is of the Civil War." The monagement will cest between \$50,000 and \$30,000 and will be between \$50,000 and \$30,000 and will be seventy-dive feet high, with a temple base difference two feet in diameter. The height of the mean ument is excensive of the branze group, which will be on the top. It will be located in Point Park, the most commanding position of Point Lookeut. Work on the construction of the foundation will begin in a few days.

Pacific Squadron of Evolution.

WASHINGTON, Jan. 10.—The Pacific Squadron of Evolution, under Rear Admiral Albert Kautz, rient non-curves, target practice and other ercises. The sundren consists of the cruser indelibba. Admirat Kautz's flagship; the thestep hava in I the cruser Markishend. The armored cruser New York, Bear Admiral of arms red cruiser New York, Rear Admiral on hand is \$72,436 47, exclusive of the Union League funds and the draft from Gen. Shafter to hearly \$10,000.

SENATE PROCEEDINGS.

Business Suspended to Pay a Tribute to th

Late Vice-President Hobart. WASHINGTON, Jan. 10 .- In the Senate to-day Mr. Hale (Rep., Me.) offered a resolution calling on the State Department for information regarding the seizure of American flour by the British near Delagoa Bay and what steps have been taken requesting the restoration of property so taken, and whether the British authorities have been informed that if such detention be persisted in it would be considered as without warrant and offensive to the Government and people of the United States. The resolution went over until

to-morrow. Mr. Butler (Pop., N. C.) introduced a joint resolution declaring "the duty; power and purpose of Congress to destroy trusts by removing the causes that produce them, to restore competition and open the door of opportunity to individual and independent business enterprises." As a cure for the alleged trust evils the resolution proposes to take from national banks the power of issuing money, which was alone vested in the Government, and to place the railroads, telegraph and telephone lines under Government control.

The resolutions offered by Senator Sewell (Rep. N. J.) that the business of the Senate be suspended and that the distinguished public services of the late Vice-President Hobart and the virtues of his private character be fittingly commemorated, were taken up at 12:30, and the eulogies were opened by Mr. Sewell.

"The character of Mr. Hobart," he said, "was as the open day; neither darkness nor shadow rested on it. Like a beautiful landscape, its varied features were plainly seen. There was nothing hidden that should be revealed; nothing concealed that should be known. Rock-ribbed by integrity and probity, his conduct was ever just and honorand probity, his conduct was ever just and honorable. His record is unchallenged. The breath of suspicion or the shafts of obloquy had not reached it the rancer of aspersion could not touch it. The lessons of his life, whose pleasant remembrances tob even death of its sadness, let us treasure, and may they prove a stimulating influence on the conduct of our own."

Mr. Daniel (Dem., Va.) spoke of the illustrious roll of men who had filled the office of Vice-President of the United States, and said: "But I venture to say that that high office was never filled by one who met all of its responsibilities with more equal and uniform efficiency, and who discharged its duties with more acceptability to all concerned

its duties with more acceptability to all concerned than did our beloved friend, Garret A. Hobart. It is a blessing to all the land that such a man

than did our beloved friend, Garret A. Hobart. It is a blessing to all the land that such a man filled such a place."

Mr. Depew (Rep., N. Y.) was the third speaker. The question, he said, whether life is worth living had been discussed by the Athenians in the t mes of Plato and Socrates; but the subject and the question were both un-American and had no place in American conditions. The most emphatic affirmative of that question was the life and carreer of our deceased friend. As Vice-President he lifted that office out of the rut into an official part of the machinery of the Government and performed infinite service in the critical period when we were at war with a foreign nation. He died at an early age, when it would seem that he had the promise before him of long life and great usefulness; but he had already had a rich life and a full-rounded career. It is well for such a man to die in battle, with his armor on. The sum of his work in this world is that conscientiously, laboriously, with zeal, ardor and affection, he performed his whole duty in public and in private life. [Applause.]

The other speakers were Senators Cockrell (Dem. Mo.), Cullom (Rep., III.), Caffery (Dem., La.), Davis (Rep., Minn.), Morgan (Dem., Ala.), Chandler (Rep., N. H.), Lodge (Rep., Mass.), Allen (Vop., Neb.), and Kean (Rep., N. J.). In all twelve eulogies were delivered; and then, as a further mark of respect to the memory of Mr. Hobert, the Senate at 8:13 P. M. adjourned till to-morrow.

IN THE HOUSE.

Bills to Liceuse Corporations and to Repeal the Stamp Tax.

most convenient agency to effect such distribution is a bank which is a member of the New York
Clearing House.

"Fourth—The reason for selecting the National
City Bank as such distributing agent was that
at the time the order was issued it was one of but
two banks which had offered bonds sufficient
to cover the amount of the daily deposit. Its
bond deposit was \$4,000,000 and that of the Hanover National Bank \$1,910,500. The National
City Bank was, therefore, the one most naturally
chosen. Of the sixty-sight banks applying for
a share of the deposits, the National City Bank,
the Hanover National Bank and three others,
applicants for over \$800,002 cach, are the only
ones out of the sixty-sight constituting Group
I which have not been supplied the full amount
for which they had offered security.

"Fifth—The Custom House property was sold
to the National City Bank as the highest bidder,
on July \$1, 1699. Under the terms of the sale is
had the option of paying it cash all of the purchase money at any time, or any part it might
elect above \$750,000, which sum it was obliged to
pay. It exercised this option by choosing to pay
\$3,215,000, leaving \$80,000 yet due. No deed
will be executed until full payment has been
made.

"The payment received was turned into the WASHINGTON, Jan. 10 .-- In the House to-day Mr. Grosvenor of Ohio, Chairman of the Com mittee on Merchant Marine and Fisheries, bad passed a resolution authorizing the Committee, or any sub-committee thereof, to sit during the sessions of the House and during any recess of the same. This action was taken to permit the committee to pursue the hearings upon the bill for the encouragement of the merchant marine now before it.

The report of the Nicaraguan Canal Committee. transmitted to the Senate yesterday by the President, was laid before the House.

Mr. Tawney, from the Committee on Ways and Means, reported with slight amendments the resolution asking the Secretary of the rTeasury to furnish the House certain information regarding the manufacture, transportation and sale of o'comargarine, and recommending its passage.

persons and aggregation of capital. Much that one man cannot do alone two can do. It is too late to argue about advantages of industrial combinations. They are a necessity and if Americans are to have the privilege of extending their business in all the States of the Union and into foreign countries as well, they are a necessity on a large scale and require the agency of more than gone corporation. Their chief a vantages are gone to the stamp tax sections of the War Reverging tax sections of the War

enue act.
On motion by Mr. Payne, (Dem., N. Y.) it was agreed that when the House adjourn to-day it be until Friday next.
The House then, under special order, proceeded to the delivery of culogies upon the late Representative W. L. Greene, of Nebraska, who died the week after the final adjournment of the Fifty-fifth Congress while on his way home. prices and still make a profit for stockholders; permanent work and good wages for laborers. I speak from my experience in the business with which I have been intimately acquainted for about forty years."

Of the dangers to the public from combinations, Mr. Rockefeller said:

"The speakers were Representatives Mercer, Stark, Robinson, Sutherland, Burkett and Nebaltons, Mr. Rockefeller said:

"The dangers are that the power conferred by combination may be abused, that combination were adopted and the House adjoined until Friday."

GEN. MILEN'S DAUGHTER MARRIED. Members of the Cabinet and Diplomatic Corps Among the Guests.

WASHINGTON, Jan. 10 .- At noon to-day in St. John's Church on Lafayette square, opposite the Executive Mansion, Miss Cecilia Miles. only daughter of Gen. and Mrs. Nelson A. Miles, was married to Capt. Samuel Reber, U. S. A., by the Rev. A. Mackay Smith. A distinguished throng was present, including mempers of the Cabinet and Diplomatic Corps, officers of the Army and Navy and many representatives of the fashionable world of Washington. The invitations were limited to the capacity of the church and admission was by card. The Army and Navy officers were all in full uniform and formed a picture characteristic of Washington society. President and Mrs. McKinley were not present, the Executive lansion being represented by Secretary Por-

Mansion being represented by Secretary Porter.

Miss Miles's attendants were: Miss Anna Hoyt of New York, Miss Reber, sister of the groom: Miss Sherman of Cleveland, Ohio: Miss Rosha Hoyt of New York, Miss Jessie Gary of Baltimore, Miss Gilmore, Miss Deering and Miss Lowry of this city. The best man was Max Reber, brother of the groom. The ushers, in addition to Col. Michier, were Capt. Macomb of the artillery, Capt. Squire of the Signal Corps, Major Mott of Gen. Merriti's staff, Dr. Patterson of Philadelphia, Tecumseh P. Sherman, son of the late Gen. Sherman, and John B. Henderson, Jr., of Washington. A wedding breakfast at the Miles residence followed the ceremony and was what is called "a small affair." attair.

Col. Francis Michler of Gen. Miles's staff, who was an usher at to-day's wedding, will be married in the same church at noon of the 15th instant to Miss Marion Lowry of this city.

Army Orders.

WASHINGTON, Jan. 10.-These Army orders were issued to-day: Acting Assistant Surgeon John H. Macready, from Cincinnate to San Francisco. Philisdelphia to Fort Thomas. Lieut. Col. Peter J. A. Clarv. Deputy Surgeon Gen-eral from Fort McPherson to Vancouver Barracks, as Chief Surgeon in the Department of Columbia. Major Abiel L. Smith. Commissary of Subsistence, to auditional duties as disbursing commissary at Washington. Washington.
Acting Assistant Surgeon Daniel C. Moor, from
New York city to Toledo for annulment of his contract
Major Abiel L. Smith, Commissary of Subsistence,
and Major Charles McClure Judge Advocate, United
States Volunteers, detailed as members of the Board
of officers, to meet at the Army Medical Museum of Officers to meet at the army medical Building in this city. Capt. Gerhard L. Luhn is detailed as professor at Gonzaza College, Spokane.

Naval Orders.

WASHINGTON, Jan. 10.-These naval orders 6 174. 7. A Erick, from the Newport News Ship building and Dry Dock Company to home and was Li ut. H. E. Smith, from the Richmond to duty ant-Commander W. F. Halsey, from the ademy to the Adams as executive, via Lieutenant-Commander
Naval Academy to the Adams as executive, via
steamer of Jan. 24, for Hon lulu
Lieut, J. R. Ehe, from the Texas, on reporting of
relief to home and waiting orders.

I buttenant Commander J. R. Molton from the

Lawton Fund May Reach \$30,060, Washington, Jan. 10.-The Lawton fund will probably reach \$90,000. To-day the cash

SECRETARY GAGE'S REPLY. NO PARTIALITY IN DEPOSITS OF

Accompanying Secretary Gage's letter are

written opinions by James A. Wetmore, Chief

of the Law Division of the Supervising Architect's

office; J. Meline, Assistant United States Treas-

urer; W. F. McLennan, Chief of the Division of

Warrants of the Treasury Department; E. B.

Daskam, Chief of the Division of Public Moneys;

R. J. Tracewell, Comptroller of the Treasury;

M. D. O'Connell, Solicitor of the Treasury, and

Ellis H. Roberts, Treasurer of the United States,

each sustaining Secretary Gage's course in some

Besides these documents is a large mass of

correspondence, including all the letters that have

been exchanged between the Secretary's office

Secretary Gage's letter contains the following

"No interest is received by the Government

"Summing up my reply to the several inquiries

"First-That the reason for utilizing national

banks as depositories for public moneys, as author-

ized by law, when the recuits of the Treasury

were exceeding its expenditures has been to avoid

internal revenue receipts to one depository was

ceipts of numerous offices into one place, and make the desired distribution from it, than to give new instructions daily to 113 collectors. The most convenient agency to effect such distribution is a bank which is a member of the New York Clearing House.

made.

"The payment received was turned into the Treasury by deposit in the National City Bank, it having been the established custom of Treasury officials, under the counsel of their legal advisers, officials, under the counsel of their legal advisers,

, under my administration of the Treas-

my Department, no discrimination in favor of one bank against another has been made. Gen-rally speaking, when an increase in depository panks was desired, all have been invited to qualify

panks was desired, all have been invited to qualify themselves for receiving such money and have been equally and equitably considered in their

TO TURN DEMOCRATS OUT.

Senate Republicans Decide to Take All the

Offices in the Gift of the Senate.

WASHINGTON, Jan. 10.-The Republican Sen-

ate caucus this morning took action that practically insures the reorganization of the Senate

on a Republican basis. Some of the old Sena-

tors who favor the retention of Sergeant-at-

sort of way endeavored to postpone

action, but such men as Mason, Gallin-

whether Republicans were interesting them-

selves in any scheme that looked to the re-

tention of Col. Bright in his office. This

Nominated to Be Rear Admirals.

L. Howison, Albert Kautz, George C. Remey

and Norman H. Farquhar to be Rear Admirals These officers had aiready been nominated and

These officers had aiready been nominated and confirmed as Rear Admirals and three of them are serving as such. Admiral Howison is on the retired list, having reached the age limit of active service last October. The nominations sent to the Senate to-day were made in order to give the four officers rank as Rear Admirals from the dates of their natural promotion to that grade and to permit them to draw their pay as such from that time until they were actually promoted.

Washington Notes.

WASHINGTON, Jan. 10.—Secretary Gage trans-nitted to Congress to-day an estimate of \$25,-60 from the supervising architect of the

House and Post Office in New York.

At the meeting of the House Ways and Means Committee this morning a lavorable report was ordered on the bill introduced by Representative Payne providing for the shipment of

Lieut. Bowman Commits Suicide.

WASHINGTON, Jan. 10.-Gen. Otis cabled the

War Department to-day announcing the death of Lieut. Daniel T. Bowman of the Thirtyseventh Infantry by suicide, Gen. Otlasays:
"While temporarily deranged First Lieut.
Daniel T. Bawman, Thirty-seventh Infantry,
committed suicide at 4:10 A. M. Jan. 0, 14

Boy and Girl Drowned While Skating.

Miss Mabel Hogue, aged 15, and George Potter,

aged 16 years, were drowned in Sandy Lake

last night. They were skating on the small

Take Laxative Bromo Quinine Tablets. All drug-glats refund the money if it fails to cure. E. W Grove's signature is on each box. 25c,-44s.

SHARON, Pa., Jan. 10.- In sight of 200 people

goods in bond through the United States.

next week.

ually promoted.

on deposits and no compensation has ever been

paid by the Government to national bank deposi-

particular legal or technical phase.

tories for services rendered by them.

of the resolution, I would say:

concluding statements:

and the depository banks for a long time.

measures of relief

HEMP PORTS NOT YET OPENED. Gen. Otts Says He Hasn't the Vessels Needed to Transport Troops.

FUNDS IN NATIONAL BANKS. WASHINGTON, Jan. 10 .- Gen. Otis has not yet succeeded in opening the Philippine hemp Deposits Made to Avoid the Disturbance of ports. He assured the War Department last Business, Which the Withdrawal of Large Sums From Circulation Would month that certain northern ports would be opened Jan. 1. Up to to-day no further in-Cause-Why the National City Bank formation had been received on the subject. Was Selected as Distributing Agent. The Secretary of War announced that he WASHINGTON, Jan. 10 .- The Secretary of the would give Gen. Otis no additional instruc-Treasury sent to the Speaker of the House tions about opening the ports, but this only into day the information called for in the House creased the importunities of the hemp importers resolution of Jan. 4 regarding the recent deposits who have been urging the department to order of Government funds in national banks and the Gen. Otis immediately to open specific ports sale of the New York Custom House property where they had hemp stored. The Departto the National City Bank. The letter reviews ment waited to hear from Gen. Otic, and no in detail the condition of the money market and reply being received to their last cablegram the monetary stringency which induced the Gen. Corbin yesterday cabled Gen. Ot's as fol-Government, during the last few monus, to devise

lows:

"Urgent inquiries and anxiety here about hemp. Whenever you are in position to give definite information about opening ports it would be great relief in the Department."

Gen. Otis replied as follows:

"Obliged to use all available coasting vessels supplying troops in various parts of island and unable to move troops to hemp districts as soon as anticipated. Am now collecting vessels here for that purpose. The United Scates transports too great draft. Have opened Bomblon and Capiz. Some hemp coming in. Will open hemp district as soon as possible, some time this month. Bates has about cleared up province of Cavité, making large captures."

cleared up province of Cavité, making large captures.

The determination again to cable Gen. Otia reminding him of the hemp situation in the United States was reached at the Cabinet meeting yesterday. Secretary Wilson of the Department of Agriculture called attention to the absence of any news from Gen. Otis about the opening of the ports. He said that he had received reports that unless the ports were immediately opened the price of binder twine to the Western farmers would be enormously high. He presented as on several former occasions his reasons for urging that Gen. Otis open the ports without delay. Secretary Root assured the President that the War Department had done everything it could to secure the opening not only of hemp ports, but of all important ports. Secretary Root said that he first cabled to Gen. Otis to open the ports, and Gen. Otis had repiled asaying certain ports in northern Luzon would be opened on Jan. I, and that all hemp ports would be opened on Jan. I, and that all hemp ports would be opened on Jan. I, and that all hemp ports would be opened on Jan. I. And that all hemp ports sent him urging that he not overlook the southern ports. To this no response had been received and he believed that Gen. Otis was doing all he could to open the ports. It was thought advisable to suggest to Gen. Otis that the Department would like to hear from him on the subject. Accordingly a cablegram from Gen. Corbin was sent.

MONTANA BRIBERY CASE.

Ex-Senator Faulkner Finishes His Cross-Examination of Whiteside.

were exceeding its expenditures. has been to avoid the disturbance to business which the withdrawal of large sums of money from active circulation to the Treasury vaults must inevitably cause. The policy thus pursued by me has been the established policy of the Government for many years, and a departure from it under similar conditions would certainly cause distastrous results. "Second—The reason for directing the internal revenue receipts into depository banks at this time is that the revenues are now largely exceeding disbursements from month to month, and seem likely to do so for an indefinite time. This condition would be a menace to the business world if assurance were not given that this surplus would be diverted from the Treasury vaults to public depositories, where, while secure to the Government, it would remain available to business use. "Third—The reason for directing all of the internal revenue receipts to one depository was WASHINGTON, Jan. 10 .- In the Senate Com nittee on Privileges and Elections the inquiry nto the Montana bribery case was continued this norning, the witness, Frederick Whiteside, being still under cross-examination by ex-Senator Faulkner of West Virginia, counsel for Senator Clark. The questions put to him were intended o show inconsistencies and contradictions in many of the various statements made by him in his testimony either before the committee, before the Grand Jury or before the Supreme Court. He explained and managed generally to avoid convicting nimself of any palpable discrepancy or misstatement. He admitted that he had been an active agent in working up the case against Senator Clark. He was unable to mention the name of any one who had voted for Mr. Clark as to the bribery or attempted bribery of whom he had any personal knowledge.

"You feel a deep interest in the result of this case?" the witness was asked, and his reply was that he had a high regard for the moral reputation of his State.

"The faction with which you are identified." Mr. Faulkner asked, "has not followed corrupt

Witness-I do not know what you mean by Witness—I do not know what you mean by faction.

Mr. Faulkner—I mean the Dely faction. They have never used money corruptly in Montana?

Witness—I do not know. I have never been identified with that faction.

Mr. Faulkner—Is it not a matter of general regret in the State that the Daly faction ever used money there corruptly?

Witness—It has been charged in circles opposed to Mr. Daly that money was corruptly used in the capitol transaction. I do not know that money was used in trying to secure legislative votes. officials, under the counsel of their legal advisers, supported by decisions of the Supreme Court, to consider moneys on deposit to the credit of the Treasurer of the United States in designated depositories as moneys in the Treasury. This deposit was made in a depository bank for the same reason that other deposits have been made in them, viz., because to withdraw the currency to the vaults of the Treasury, where it was not needed and could not be utilized, would have required a withdrawal of credit that was being extended in commercial circles and to that extent a disturbance to the natural order of business would have followed. To have required its payment by the National City Bank to another designated depository would have been an ungracious discrimination without substantially changing the fact.

"Finally, under my administration of the Treasury Depository and designated and course of the substantial of the Treasury Depository and the substantial of the Treasury Deposits of the Treasury Deposits of the Treasury Deposits on the Treasury Deposits of the Treasury Deposits on t the capitol transaction. I do not know that money was used in trying to secure legislative votes.

Mr. Faulkner—In fact you have never heard of any corrupt use of money in the State except in the election of Senator Clark?

Witness—I cannot say as to that, except through newspapers favorable to Mr. Clark. Under ordinary conditions I doubt very much whether I would have been justified in following the course I did follow. But this corruption commenced in 1893, when Mr. Clark was a candidate for the United States Senate. It was then charged, and was well known, that he bought many Republicant of the contraction of t was well known, that he bought many Republican votes. After that, in 1894, came the capitol contest, and then it was charged on both sides that money was poured out like water.

The Chairman—Was there any judicial or legislative investigation of those charges?

The Witness—No, sir. Following that money had been used until it reached the aame in 1899.

Mr. Faulkner—And you determined to stand there as a breakwater against that sea of corvening? ruption?
The Witness-I determined to do what I could stop it.
Mr. Faulkner said that he had closed his crossexamination, except as to some points on which he expected to impeach the witness, and then the committee adjourned until to-morrow.

FALSE NATURALIZATION CASES.

New U. S. Grand Jury Bidden to Look Into McCullagh's Proofs.

Arms Bright, a Democrat, in an evasive Judge Thomas swore in the January Grand Jury in the Criminal Branch of the United ger and Wellington forced the subject States Circuit Court yesterday and called their from the outset and insisted upon knowing attention to the cases of fraudulent naturalization reported by John McCullagh, State Superintendent of Elections. After warning them to be quite sure of guilt on the part of any person they should indict. Judge Thomas told the jurers that naturalization was a judicial proceeding and that perjury was common in judicial proceedings.

tention of Col. Bright in his office, This was denied, although Mr. Fairbanks, who has been one of Col. Bright's supporters, urged that there was no need for undue haste. There are, also, not a few Senators who favored delay because they hoped to bring forth a candidate for Secretary of the Senate against James A. Clarkson, who has been generally understood to be slated for the office. The opposition candidate has not yet been selected, but it is said that Mr. Clarkson will not gain this prize without opposition. proceeding and that perjury was common in judicial proceedings.

"Hardly a case is tried in the courts," the Judge declared, "in which perjury is not committed by somehody interested in the proceeding. The difficulty is to discover the perjurer. It is possible that perjury may have been committed in connection with some of the naturalization papers." said that Mr. Glarkson will not gain this prize without opposition.

Chairman Allison was authorized to appoint a committee to investigate the subject of patronage and determine what appointed officers in the Secretary's office shall be litted out of the general scheme of patronage and retained. The patronage, consisting of a small army of clerks measurage; and laborers will be divided.

Inpographical Map of City for Paris Expo-

Chief Engineer Risse of the Board of Public mprovements informed the board yesterday clerks, messengers and laborers, will be divided among the Senators proportionately, as at present, regardless of politics. that the topographical map of New York city and the adjacent country, which will form part caucus adjourned to meet Friday of the United States exhibit at the Paris Exposition, was completed. The map will be on ex-hibition at Arion Hall, Fifty-ninth street and Park avenue, on Tuesday, Wednesday and Thursday of next week. Then it will be shipped to Paris. After the exposition the map will be WASHINGTON, Jan. 10.-The President to-day o Paris. After the exposition the map will be prought back to this country and will be given to the New York Public Library. sent to the Senate the nominations of Henry

Munson Line Sues Another for Damages. The Munson Steamship Line, with its office at 27 William street, filed a complaint in the United States Circuit Court yesterday against the Cuban Land and Steamship Company of 32 the Cuban Land and Steamship Company of 32 Broadway, in a suit for \$75,000 damages, which the plaintiff says it suffered through a circular issued by the defendant in December, giving false descriptions and containing misleading statements concerning the plaintiff's vessels, which run between New York and Halifax to Nuevitas and other Cuban ports. The com-plaint alleges that the defendant runs a rival line to Nuevitas.

The Weather.

The sterm which was developing over Texas showed an increase of energy yesterday and was moving eastward. Rain was general except from Kansas west to the Pacific coast. In this city there was cloudiness and rain in the morning, clearing in the afternoon; average humidity, 82 per cent.; wind, southwesterly; average velocity, 18 miles an hour; barometer corrected to read to sea level, at 8 A. M.,

- Official - Sun's, - their - Sun's, 1800, 1809, 1900, 1900, 1900, 1800, 1800, 1800, 1900, 1800,

lake near the village and glided into open water where the ice had been cut Friends rushed to their rescue, but they went under the ice. Efforts were made to reach them, but they sank in twenty feet of water. Their bodies were recovered a few hours afterward. east portion; increasing clowliness Friday with snow s the lakes; high northeasterly winds,

ATTACKS ON GEN. LUDLOW.

HAVANA PAPERS CONTINUE THEIR CAMPAIGN AGAINST HIM.

Argue That the Military Department of Havana Is an Expensive, Useless and Entangling Institution-Think It Undoes the Good Work of Gen. Wood's Office.

Special Cable Despitch to THE SUN. HAVANA, Jan. 10.-The action of Gen. Ludlow in ignoring the courts and using his own authority to impose fines on the newspapers El Cubano and La Lucha for printing malicious attacks on him has furnished a weapon with which not only the press, but the people. are hitting him and the Government he represents. Both the offending papers attack him viciously again to-day. They have the sympathy of many Cubans because of the methods employed by Gen. Ludlow. There is no question of the truth or falsity of

the statements made by either paper involved. El Cubano's story that Gen. Ludlow had assaulted a Spainard in the presence of Senor Sagrario, the Spanish Consul-General, was absolutely without foundation. It is generally urged that the Military Governor of Havana should have turned the case over to the courts Instead he took advantage of the Spanish law. applicable to Cuba, permitting administrative officers to impose fines summarily. This rouses the opposition of Cubans to things military, and brings out again the argument that the military department is an expensive uscless and entangling institution, which retards the city's best development and hinders the growth of Cuban belief in the determination of the United States to replace the military with a civil government in the hands of the Cubaus.

It is urged by many Americans as well as Cubans that such conduct on the part of Gen. Ludlow undoes the work of Governor-General Wood, so noticeable since his ar ival, toward assuring the people here that they will have the fullest opportunity to govern themselves. Gen. Wood's open declaration that the military government of the island is solely supervisory. is recalled as not being in harmony with an act three w. eks after his coming which ignores the Penal Code regulating offences by the press. It is argued that had Gen. Ludlow referred the matter to the fiscal, and the latter did not o his duty, then it would have been time for the military to intervene. The case was not reported to Gen. Wood officially, but there is a strong impression that it will be and that he wil act.

While doubtless the cause of friction between the department and division is extremely embarrassing to Gen. Wood at this time, it was recognized that it must come sooner or later by reason of the unavoidable confusion regarding the prerogatives of the department and division. It is argued that the suppression of the Department of Havana and the appointment of civilian Cubans to peform its functions would relieve the city of an expense that is unnecessary at this time, and also give Gen. Wood broader opportunities to enforce his policy, which just now is meeting with the highest favor from all factions.

A decree is in course of preparation pardoning 200 prisoners who are held without any cause, their terms ranging from many months to many years. It will be saued by the close of the week. The investigation into the matter of persons illegally confined is being continued. It is expected that more than 400 prisoners will eventually be released from the Havana prisons alone.

ANOTHER EXTRA GRAND JURY.

Called at Col. Gardiner's Instance-May Devote Itself to B. R. T. Solely. An extra Grand Jury will be summoned to

sit with the Criminal Term of the Supreme Court in February. Justice Andrews made the order yesterday on motion of Assistant District Attorney McIntyre. Mr. McIntyre said there was excise and other business which would require an extra Grand Jury. The Appellate Division had not assigned Justices to sit in the criminal branch this year when they made their general assignment of Justices of that court, but arrangements had been made to have a Justice open court for the

February term. The order recites that it is made because of the "statement of the District Attorney that the public interests require that a Grand Jury should be drawn from this court for the Criminal Term to be held the first Monday in February, 1900." It calls for the summoning of fifty Grand Jurers for that date.

To a reporter Mr. McIntyre said that Col. Gardiner, who was at the office on Monday, felt that if the present Grand Jury took up the toward region. fice on Monday, felt that if the present Grand Jury took up the investigation into the origin and circulation of the rumors which depressed Brookiyn Rapid Transit stock, there would be little time for the consideration of other business, and there would be danger of a congestion of business. There are on hand some sixty excise cases which the statute says must be tried without delay, and the Excise Department at Albany is constantly urging that they be disposed of. The present Grand Jury has not yet taken up the Brooklyn Rapid Transit matter, and one story yesterday was that the extra Grand Jury will devote its entire time to the isleged attacks upon the B. R. T. Company, going back as far as the strike upon its lines. The extra Grand Jury will be drawn on Lan 18 with the regular Grand Jury

BANKERS NOT BEHIND THIS BILL.

Do Not Favor Putting Old-Line Trust Companies on 15 Per Cent. Reserve Basis. Local bank officers said yesterday regarding the Trainor bill, which seeks to put trust companies on a 15 per cent, reserve basis, that they thought such a plan should be applied to trust companies that do a banking buelness, paying interest on daily balances ness, paying interest on daily balances and making a specialty of check accounts. They did not think it should be applied to the old-line trust companies. They denied that New Yor's bankers were pushing the bill, but said it mated with up-State men. One point they pointed out that ought to be thoroughly thought over before the passage of any such bill was the possibility of its creating a stringency of money. Very nearly all the money of the trust companies is now in use and in order to increase their reserves part of it would have to be called in.

Ramon O. Williams Ill at Havana. Advices from Havana to his family here say

that Gen. Ramon O. Williams, formerly United States Consul-General to Cuba, lies there ill. It was his intention to come home for the Christmas holidays, but on the advice of his physicians he has deferred his trip. Gen, Williams is 70 years of age and a sudden change of climate at this season it was believed might prove dangerous.

Court Calendars This Day. pellate Division-Supreme Court (Madiso are)-Nos. 85, 88, 6, 19, 78, 80, 87, 43

barometer corrected to read to sea level, at 8 a. M., 80.02; 3 P. M., 29.94.

The temperature as recorded by the official thermometer, and also by The Sin's thermometer at the street level, is shown in the annexed table:

-Official Sin's, -Official Sin's, -Official thermometer, and also by The Sin's thermometer at the street level, is shown in the annexed table:

-Official Sin's, -Official Sin' Surrogate's Court-Chambers-For Probate-Wills

Court of Appeals Calendar.

A man can take pride in his desk if it's a "Hale."

HALE CO., Desks at export prices, next Produce Exchange

149

SUDDEN BREAK IN SUGAR. AUSED BY BELIEF THAT DIVI-DANDS WILL BE REDUCED.

he Feeling Based on Statements Made and Besolutions Passed at the Com-pany's Annual Meeting-Drop of More Than 10 Points-All the Market Affected. Fear that the 12 per cent. annual dividend ate, maintained uninterruptedly for years by he American Sugar Refining Company, may be cut resulted in a bad smash in the price o he company's stock yesterday. The fear arose rom official statements made at the annual meeting of the stockholders in Jersey City at

The stock, which had opened at 130 and early ivanced to 130% and rapidly declined to 117% amid great excitement on the floor of the Stock Exchange and in the brokers' offices throughut the Wall Street district. It railled to 121% and the closing price was 120%. This represented a net loss of 8% compared with the closing price on Tuesday. The dealings were many, amounting to 192,150 shares, and the smash in the stock for a time unsettled the entire stock market. The rapidity of the decline was due to the uncovering of stop loss orders, which resulted in forced liquidations.

At the annual meeting in Jersey City H. O. Havemeyer presided and C. R. Heike was secretary. The number of shares represented and voting was 516,518. Of these 4.337 shares were voted by their owners. and the others were proxies. H. O. Havemeyer, Arthur Donner and John Meyer were reflected directors without opposition. It was expected that some allusion might be made to the withdrawal of F. O. Matthiessen from the company. President Have-meyer merely said that Mr. Matthiessen had resigned from the Board of Directors last year because he intended to travel in Europe and Asia, but he had not sold all his stock. In his annual address President Havemeyer said:

"In September, 1898, as you know, your Board of Directors determined upon a change of policy in view of the circumstances then existing, which led to the reduction in the price of our product and necessarily to a diminution of our profits. Very wisely, as I think, at our annual meeting in January. 1899, unantmously you approved of this change of policy.

mously you approved of this change of policy. The circumstances which then existed have continued, and still exist, and your board has ever since maintained, and unless instructed by you to the contrary, will continue to pursue this policy by them initiated and by you usanimously indorsed.

"I cannot, of course, say what your directors will do in the matter of declaration of dividends in the future. Such declarations can be made by them alone, and will be made under the situation which will then exist. I am very sure, however, that when the duty of determining the amount of dividend is imposed upon them they will take into careful consideration the fact of the reduction of profits which has resulted from the policy which has been pursued. I do not believe you would desire them to declare any dividend which would weaken the financial strength of the company or render it less able in the future, than it always has been in the past, tolook ahead without fearing the results of any policy which may be deemed advantageous. Speaking for myself, I say, with as much force of statement as possible, that I would oppose any such declaration of dividends."

The stockholders subsequently adopted the following resolution:

"Resoured, That the action of the Directors at The stockholders subsequently adopted to following resolution:
"Resolved, That the action of the Directors at a meeting held Jan. 9, 1900, which reads as follows: Resolved, That the accumulated profits, less the dividends which have been declared up to this time, including the dividend

as follows: Resolved, That the accumulated profits less the dividends which have been declared up to this time, including the dividend of Jan. 2, 1900, be reserved as working capital, less such amount as the Directors shall see fit from time to time to declare as dividends, be and the same is approved and confirmed by the stockholders.

"Resolved, That the stockholders hereby ratify and approve the action of its Directors in the management of the company's business and the conduct of its officers and their action generally down to this time."

The stockholders also passed a resolution authorizing the Directors to cancel any part of \$10,000,000 bonds issuedlagainst a mortgage on the property of the company when it was organized. All of the bonds are now in the treasury of the company. President Havemeyer said after the meeting: "The company will not sell any of these bonds. We have abundant capital for our business, and will have as long as I have anything to do with the company. If the same conditions exist in March it will be necessary to reduce the dividend on sugar common as the result of the sugar war. The total number of shares voted to-day were 516,518, which indicates that over two-thirds of the stockholders will be responsible for the policy of the Directors should a reduction of the dividend be necessary.

A state of war in the sugar trade exists with

the stockholders will be responsible for the policy of the Directors should a reduction of the dividend be necessary.

"A state of war in the sugar trade exists with the same force that it has since it commenced. The independent companies are carrying this war on while our company is simply standing back. There are no signs of a settlement of the war."

NEBRASKA WAR ON CORPORATIONS, The Attorney General Starts a Suit Against the Union Pacific. OMAHA, Neb., Jan. 10.-Corporation circles

were disturbed to-day by Attorney General Smythe, who began his threatened attack on their interests in a suit against the Union Pacific to collect a penalty of \$5,000 which is prescribed for retusing to obey the order of the State Board of Transportation relative to equalzing freight rates.

The State Board of Transportation undertook, some time ago, to regulate rates in the State. The railroads ignored the board. A recent decision of the State Supreme Court decided that the board was acting within its prescribed authority, and the action to-day is the first of a series to be filed at once.

Attorney General Smythe said to-day that he proposed to press the case to an immediate trial and to resist any effort to carry the matter to the Federal court. The State Supreme Court is a Fusion in-titution and on record as favoring Smythe's present contention.

The Attorney General is also working on a number of cases to institute against the other putlic carriers, especially the Pullman Company. The recent consolidation of the Wagner and Pullman interests in this State, he says, is clearly a violation of the law. This will be made the basis of action to prohibit the Pullman Company doing business in Nebraska. A fight will also he made to reduce all charges of the sleeping car company. State. The railroads ignored the board. A

Illinois Central to Touch Denver? DENVER, Col., Jan. 10 .- According to current report here the Illinois Central is seeking an entrance into Denver, but official confirmation of the report is not obtainable. Recently the of the report is not obtainable. Recently the Denver, Boulder and Northern Road was incorporated and secured terminals in Denver. This road will be built at once to the coal fields twenty-five miles west of Denver. But the trackage facilities it has obtained in Denver are far more extensive than the plans as given out call for. The Boulder road to backed by people closely connected with the Illinois Central, and the latter road is believed to be figuring on a Colorado coal supply.

Seventh National Bank Changes. At the Seventh National Bank on Tuesday S en Samuel Thomas was elected a director

succeeding former President John McAnerney. Mr. McAnerney sailed for Europe on Tuesday for a six-month trip. The bank's Board of Directors was increased from twelve to fifteen members, by the election of J. P. McAnerney, its assistant cashier and son of the former Fresident; George W. Adams, the cashier, and Thomas M. Boyd. Pacific Const Rates From New England.

Boston, Jan. 10. - At a meeting of the New England passenger agents to day, it was deided to issue the new rate eard to the Pa-For western Pennsylvania, fair and colder to day; probably rain or snow (Friday; brisk northeasterly winds becoming southeasterly.

Court of Appeals Calendar.

ALBANY, Jan. 10.—Court of Appeals calendar for tomorrow: Nos. 182, 183, 184, 186, 187, 206, 188 and 182.

Court of Appeals Calendar.

**Court of A

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ANOTHER CITY BOND SALE.

Comptroller Will Dispose of \$5,558,483.90 Worth of 31/2s on Jan. 23. Comptroller Coler will open bids for \$5,568,-483.90 worth of 3% per cent. gold-bearing city bonds on Jan. 23. The money derived from the sale will be used for the following purposes: \$1,650,000 for the new aqueduct,

\$300,000 to pay for work on the Harlem River speedway, \$1,168,483 for schools and school sites, \$450,000 for the new Hall of Records, and \$2,000,000 for the new East River Bridge. The aqueduct bonds mature in 1919. All the others mature in 1940. Vanderbilt Directors for L. E. and W. At yesterday's meeting of the stockholders of the Lake Eric and Western Railroad these new directors, representing the Vandertill controlling interest in the company, were

elected: J. Pierpont Morgan, William K. Vanderbilt, Frederick Vanderbilt, H. McK. Twombly and W. H. Newman. Mr. Newman. Twombly and W. H. Newman. Mr. Newman, who is president of the Lake Shore and Michigan Southern Raifroad, was elected president, and Charles F. Cox vice-president, secretary and treasurer. All of the other executive of fleers remain the same. More than three-fourths of the stock of the company was represented at the meeting. The formal transfer of all the property belonging to the Lake Erie and Western system has been made, and the Lake Shore officials are now practically in control. The office of chairman of the board of directors of the Lake Erie and Western has been abolished.



ACTS GENTLY ON THE

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